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SUBJECT: PHILIPPINES: 2008 COUNTRY REPORT ON TERRORISM

REF: STATE 120019

¶1. SUMMARY: The Philippines remains a key partner of the United States in our bilateral and multilateral counterterrorism efforts. As in recent years, during 2008, terrorist groups active in the Philippines included the Abu Sayyaf Group (ASG), Jemaah Islamiyah (JI), the New People's Army (NPA), and Rajah Solaiman Movement (RSM). Partly due to special historical ties, the Philippine government maintains a robust and cooperative relationship with the Mission via a diverse array of bilateral counterterrorism programs with multiple USG agencies. U.S. intelligence, reconnaissance, and surveillance support Armed Forces of the Philippines' operations against terrorist elements in the southern Philippines, while U.S. Department of Justice criminal-investigation and antiterrorism programs trained approximately 5,000 police and other security personnel during the year. Implementation of the Coastwatch South program continues to move ahead; its radar stations and sea-surface and aerial assets will dramatically improve the government's oversight of the "Terrorist Transit Triangle" region bordered by the Philippines, Malaysia, and Indonesia. The Department of Homeland Security Immigration and Customs Enforcement's newly-developed Philippine Biometric Initiative has provided Philippine National Police with fingerprints, photographs, and other information on 130 suspected terrorists. With significant U.S. assistance, Philippine security forces have continued to make progress against terrorist groups, killing 35 terrorists and capturing another 16 during the first half of 2008. Those apprehended included an RSM founder and two bomb-makers in Mindanao. End-of-year statistics will be reported septel in January, per reftel instructions. END SUMMARY.

General Assessment

¶2. Terrorist threats facing the Philippines include the Abu Sayyaf Group (ASG), Jemaah Islamiyah (JI), Communist Party of the Philippines/New Peoples Army (CPP/NPA), and Rajah Solaiman Movement (RSM), all of which are designated as Foreign Terrorist Organizations (FTOs) by the United States. The U.S. counterterrorism strategy of offering development opportunities in areas at-risk for terrorist recruitment continues to marginalize the small remaining numbers of ASG and JI terrorists from Muslim insurgents in the southern Philippines. While the 5,000-strong NPA continues to disrupt public security and business operations with intermittent attacks on communications and transportation infrastructure throughout the Philippines, it continues to decline in personnel and effectiveness. However, the NPA remains steadfast in its refusal to accept President Arroyo's broad amnesty overtures, turning down offers to negotiate unless its U.S. and international designation as a terrorist organization is rescinded. RSM maintains close links to ASG and JI, and is alleged to have been responsible for multiple attacks in the Philippines. Embassy Manila worked closely

with Philippine officials on the designation of the Rajah Solaiman Movement as a terrorist organization by the UN 1267 Committee, and in early 2008, RSM was included in the UN 1267 Committee sanctions list. This has led to the freezing of RSM bank accounts and real estate. In addition to the above groups, the Alex Boncayao Brigade (ABB) and the "Pentagon Gang" are on the U.S. Terrorist Exclusion List, although during 2008, there were no known terrorist acts attributed to these two groups in the Philippines, and most ABB members enjoy amnesty resulting from a 2000 peace agreement.

Safe Haven Assessment

¶13. Philippine military and law enforcement agencies conducted intensive civil-military and internal security operations to eliminate terrorist safe havens in the Sulu Archipelago and central Mindanao. In the first half of the year, they captured and arrested 16 terrorists and killed 35.

Statistics for the second half of the year are still being compiled and will be submitted in a supplemental report. In July, Ruben Pestano Lavilla, Jr., a leader and founding member of the RSM, was arrested in Bahrain and deported to the Philippines. In December, the Court of Appeals ordered the trial of RSM founder Hiliarion "Ahmad" Santos and other suspected RSM members for their alleged involvement in multiple bombings and kidnappings in the Philippines during 2005 and 2006.

¶14. The passage of the Human Security Act (HSA) in 2007 was a significant step in the modernization of tools available to Philippine law enforcement for use against terrorists. The Act permits wiretapping of members of judicially-designated terrorist organizations, and financial investigations of individuals connected to terrorist organizations. However, the law's tight restrictions have limited its actual application. The key difficulty in implementing the law is that stiff fines will be imposed on the law enforcement agency for violating a suspect's rights if the accused is later acquitted or the case is dismissed (fines are approximately \$1,000 USD per day for the entire period of detention). The Act did, however, provide for the establishment of an Anti-Terrorism Council to effectively implement anti-terrorism efforts in the country and ensure interagency cooperation. The Council focused its first year's efforts in building the organizational and administrative infrastructure necessary to facilitate closer cooperation between Council members and supporting agencies. Limited financial resources, inadequate salaries, low morale, limited cooperation between police and prosecutors, corruption, and other problems of law enforcement have hampered bringing terrorists to justice.

Terrorist Organizations

¶15. The Abu Sayyaf Group (ASG) is a violent splinter group of the Moro National Liberation Movement (MNLF); some of its leaders fought in Afghanistan during the Soviet invasion. Its stated goal is to establish an independent Islamic state in western Mindanao and the Sulu Archipelago. The group is heavily involved in kidnappings-for-ransom, bombings, murder, and extortion. A successful military and law enforcement campaign has killed or captured most of its leadership and has reduced the number of armed fighters from over 7,000 to approximately 300. Most recently, ASG has still been engaged in a series of kidnappings-for-ransom, smuggling, protection rackets, and extortion crimes in Mindanao and Basilan island.

¶16. In June, popular Philippine television journalist Ces Drilon and three members of her crew were kidnapped by armed men in an isolated area of Jolo Island in the Sulu Archipelago, while reportedly en route to an interview with fugitive ASG leader Radulan Sahiron. Drilon and the others were released unharmed after 10 days in captivity. While media and some public officials accused the ASG of having

masterminded these events, others suggested that Drilon's party had been the victims of a kidnap-for-ransom criminal gang with no political affiliations, and a local mayor who served as a negotiator for Drilon's release was afterwards arrested by the authorities and charged with having participated in the crime and personally benefited from ransom payments.

¶17. Jemaah Islamiyah (JI) is an Indonesian-based terrorist organization that seeks to establish a pan-Islamic state across Southeast Asia. The group has conducted a number of bombings in Indonesia, including the 2002 Bali nightclub bombings that killed 202 persons and seriously injured more than 200 others.

¶18. The New People's Army (NPA), the military arm of the Communist Party of the Philippines (CPP), has conducted a decades-long campaign against the Philippine government, but in recent years its activities have been confined mostly to bombing telecommunications relay stations and extorting "revolutionary taxes" from corporations. The Alex Boncayao Brigade, which splintered from the NPA in the mid-1980s, has committed several murders, including that of Colonel James Rowe in 1987, when he was assigned to the Joint U.S. Military Advisory Group (JUSMAG) at the United States Embassy in Manila.

¶19. The Rajah Solaiman Movement (RSM) recruits its members from Muslims who have converted from Catholicism. Such recruits lack the accents and racial characteristics normally associated with individuals from the traditional conflict-affected regions of Mindanao and the Sulu Archipelago, making it easier for them to blend into the population in Manila and other large urban areas. RSM members have been involved in several plots to bomb public utilities, tourist areas, and the U.S. Embassy in Manila. They are also implicated in having cooperated with ASG in the 2005 Valentine's Day bombing in Makati City that killed eight people, and in the 2004 bombing of a passenger ferry that killed 116 people.

Foreign Government Cooperation

¶110. The Embassy enjoyed excellent cooperation from Philippine law enforcement officials in obtaining access to terrorist detainees and witnesses for FBI interviews, and access to criminal, immigration, financial, and biographic records via the mechanisms established in the U.S. - Philippine Mutual Legal Assistance Treaty (MLAT). The Philippine Security Engagement Board was the primary mechanism for planning and coordination of nontraditional security issues, including counterterrorism and maritime security. Through 2008, the Embassy continued to achieve significant progress in counterterrorism via well-coordinated efforts in strengthening security forces and promoting peace and development in Mindanao. The Philippine government has been an active partner in this work, which has yielded excellent results in combating terrorist elements, including Abu Sayyaf Group, Jemaah Islamiya, and the New People's Army.

¶111. Post's Anti-Terrorism Assistance (ATA) Program continues to increase the capabilities of Philippine law enforcement agencies to detect, deter, counter, and investigate terrorist activities in the Philippines through carefully-targeted and sequenced delivery of training courses and equipment grants. During 2008, ATA increased its focus on Mindanao by providing valuable training in a wide range of areas including Interdicting Terrorist Activity, Explosive Incident Countermeasures, Post-Blast Investigation, Advanced Computer Forensics, and Cellphone Forensics. ATA also instituted a K-9 program of bomb-detection dogs with the Philippine National Police (PNP), funding U.S.-trained dogs, their handlers, veterinarians, and kennel facilities.

¶112. Post's U.S. Department of Justice/International Criminal Investigative Training Assistance Program (DOJ/ICITAP)

trained 4,197 police personnel in 2008 and pursued police development efforts primarily through the Model Police Station Program, which trained PNP personnel at 10 stations in 15 critical subjects; the Maritime Police Project, which when completed will equip maritime police in Palawan Province with special patrol boats to monitor the western Sulu Sea bordering Malaysia; and the Southern Philippines Rule of Law Project, which entailed training PNP personnel in basic police operations and investigation techniques in Sulu Province.

¶13. Other 2008 programs have included Post's Department of Homeland Security Immigration and Customs Enforcement (DHS/ICE) development of the Philippine Biometrics Initiative, whereby fingerprints, photographs, and other information on suspected terrorists was collected and provided to the appropriate Philippine authorities. The Embassy's JUSMAG unit has continued implementing the Coastwatch South program, which will dramatically improve oversight of the triborder "Terrorist Transit Triangle" with the use of 12-17 coastal radar sites connected by a string of air, ocean, and ground surveillance and interdiction assets, including 10 rigid-hull inflatable boats (RHIBs) and Forward-Looking Infrared Radar (FLIR) pods for Philippine Navy aircraft.

¶14. The Philippine Department of Foreign Affairs (DFA) has implemented issuance of digitized, machine-readable passports at all of its locations. The DFA hopes to begin issuing electronic passports utilizing Radio Frequency Identification technology in 2009. Post's Consular Section has enjoyed increased cooperation from Philippine law enforcement officials responding to our requests for investigations and arrests of vendors of false documents encountered by consular officers, but convictions remain rare as the parties often work out civil settlements prior to the conclusion of a prosecution.

KENNEY